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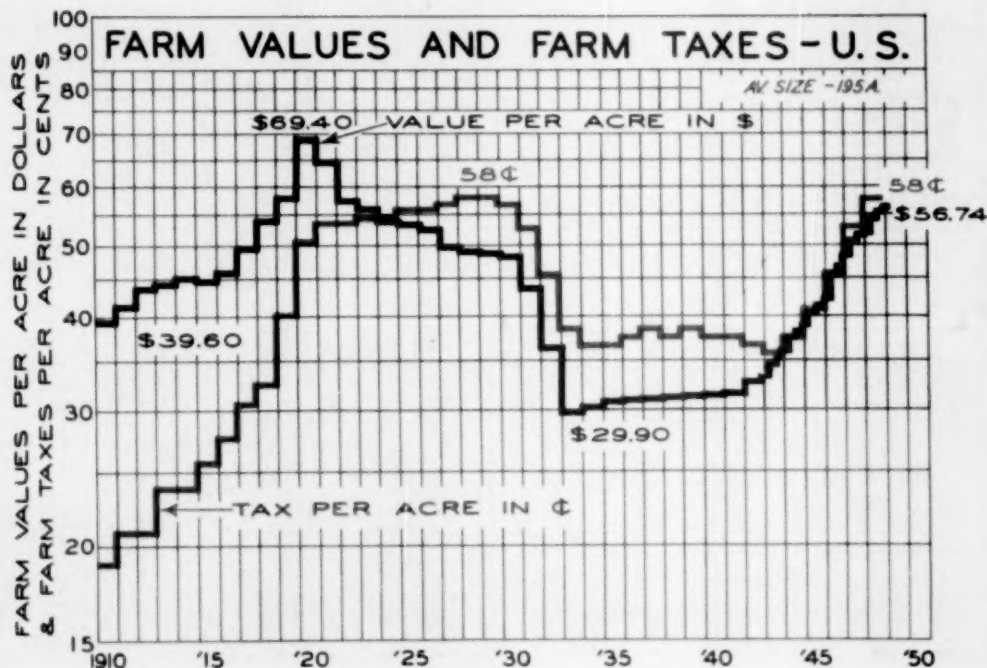
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Number 3

FARM VALUES AND TAX OUTLOOK

THE average dollar value per acre of farms in each State from 1910 through November 1949 is shown on the following charts. Tax figures, gathered by the Bureau of Agricultural Economics, are plotted on the charts in red. The taxes and farm values shown include both land and buildings. Including buildings in the values of farm lands increases the value per acre in States with small farms more than in States where the farms are large, since \$3,000 worth of buildings on a 100-acre farm will increase the value per acre by \$30, while the same improvements on a 1000-acre farm will increase the value only \$3 per acre.

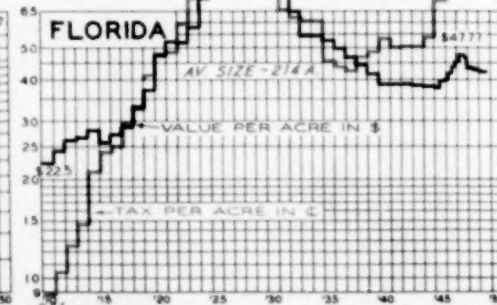
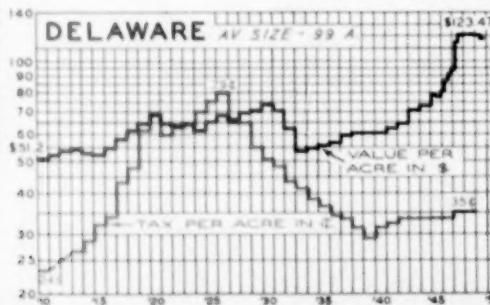
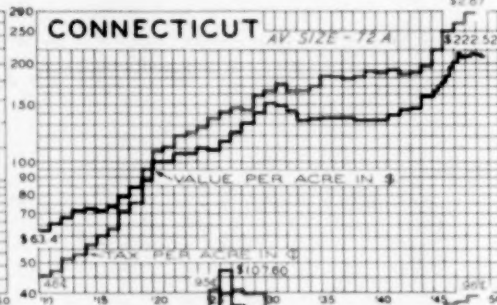
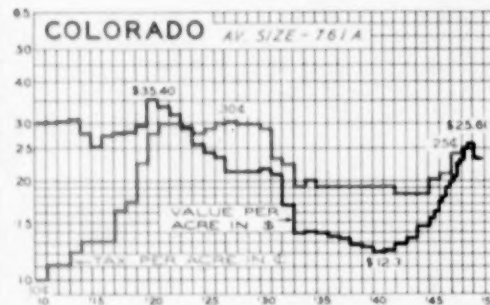
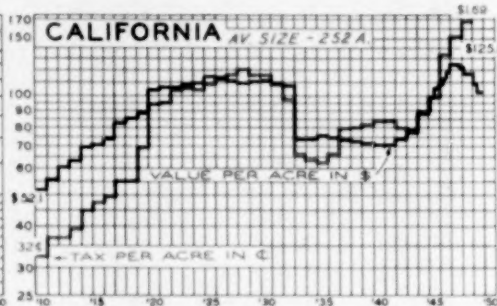
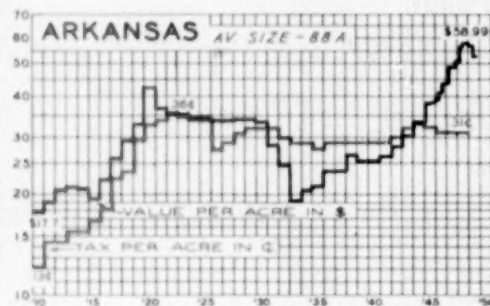
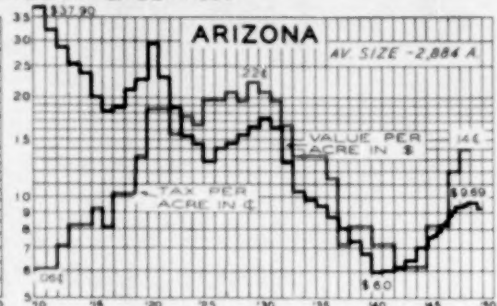
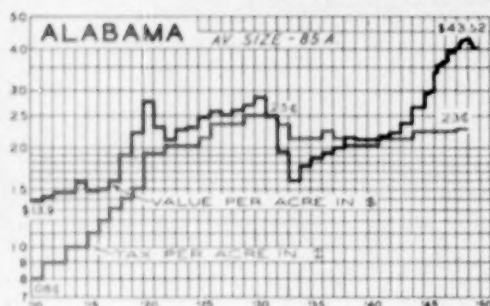
As was the case at this time last year, the short-term outlook for most farms is bright, but not so bright as 1949, which, as we all remember, was not so bright as 1948. Apparently the price of farm products is to remain on the slow downgrade for some time to come and, if this is true, no startling recovery can be
(cont. on page 32)



FARM VALUES AND FARM TAXES

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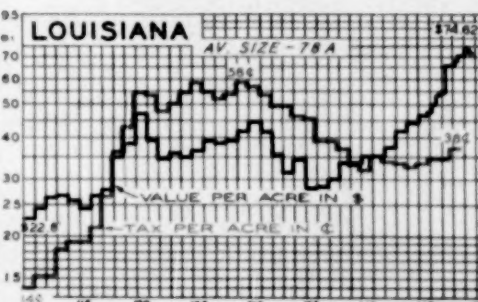
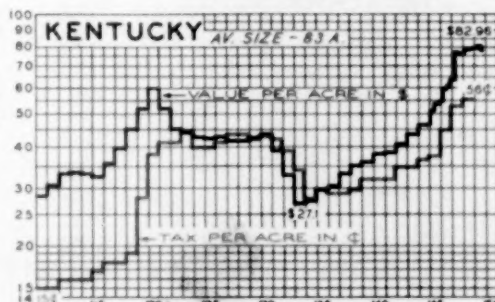
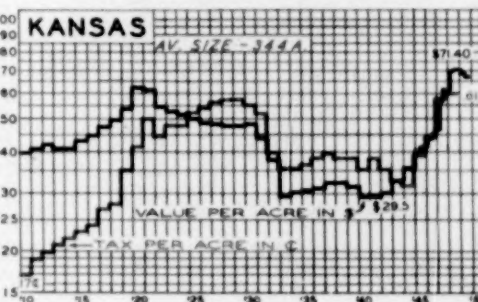
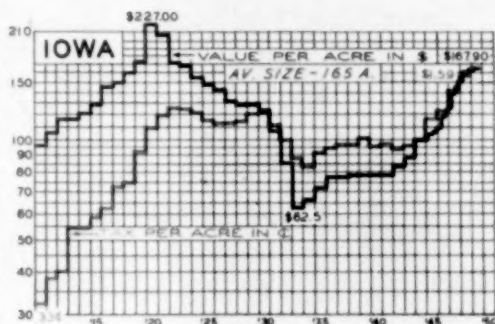
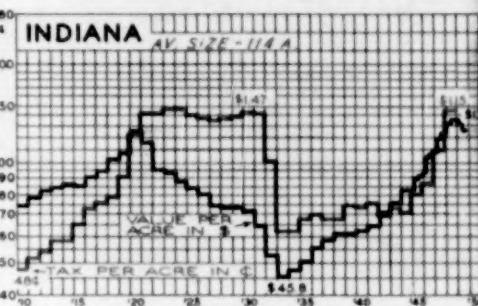
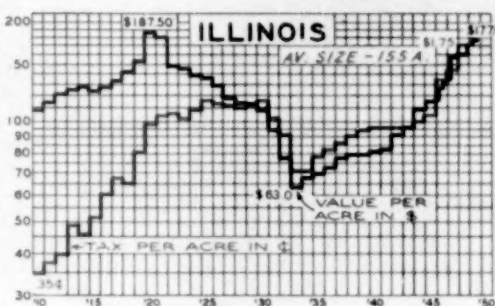
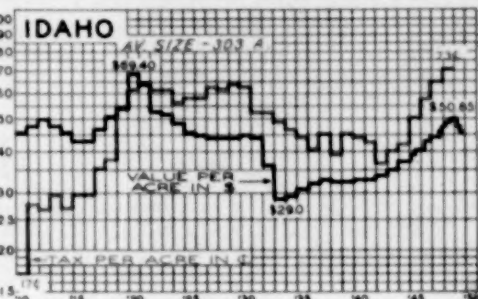
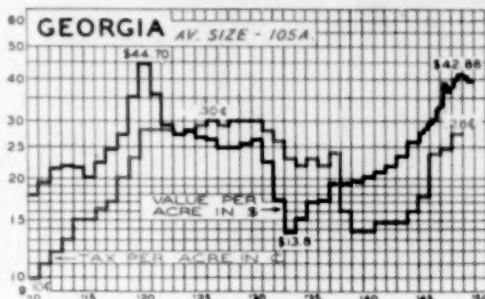
FARM VALUES PER ACRE IN DOLLARS AND FARM TAXES PER ACRE IN CENTS



FARM VALUES AND FARM TAXES

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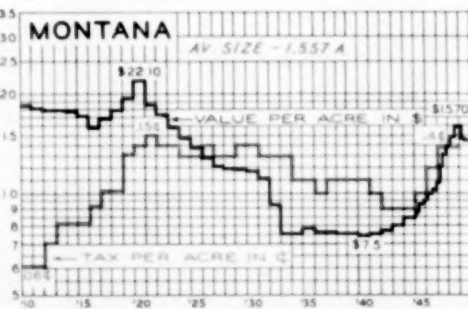
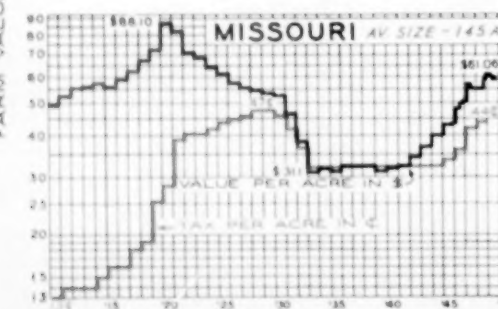
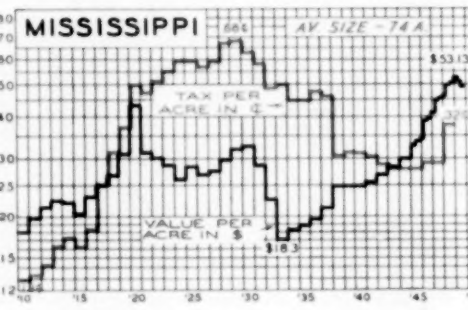
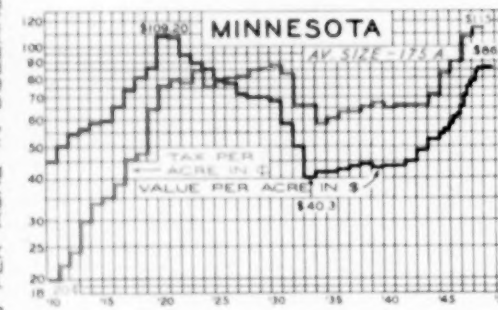
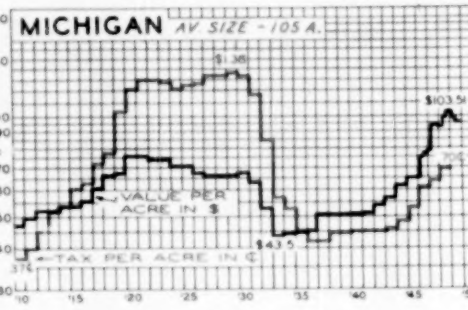
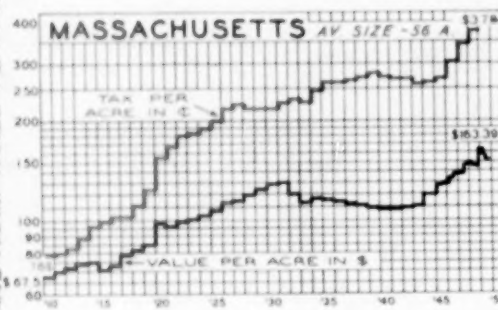
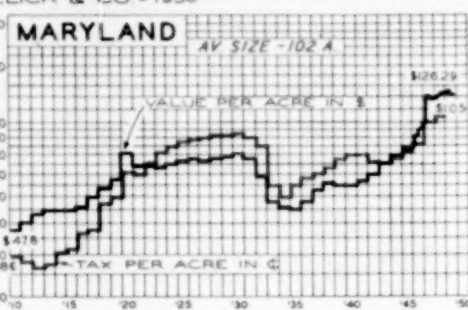
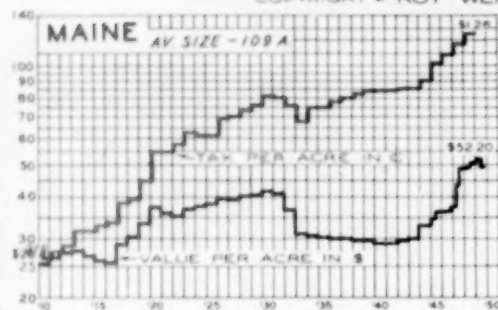
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FARM VALUES AND FARM TAXES

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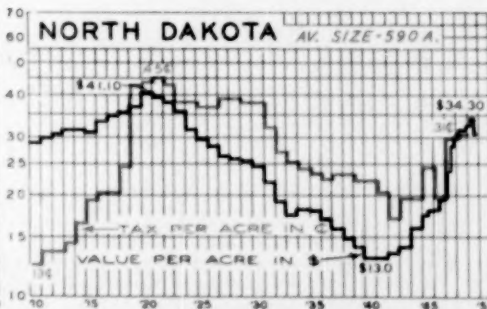
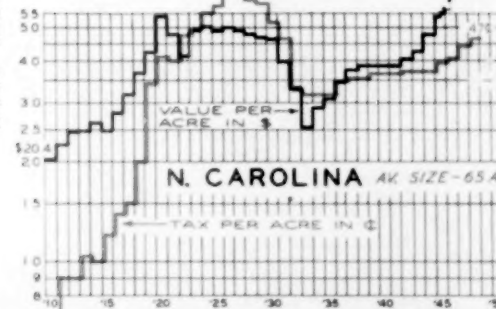
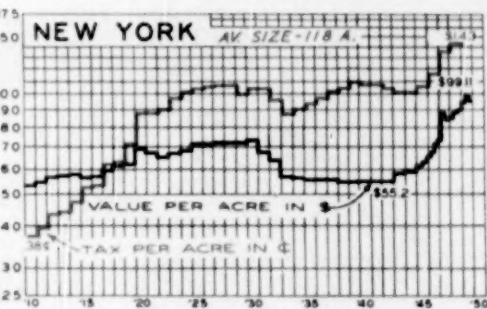
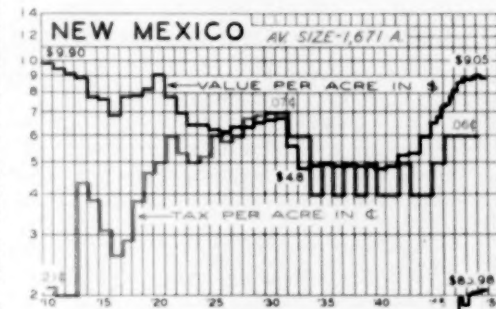
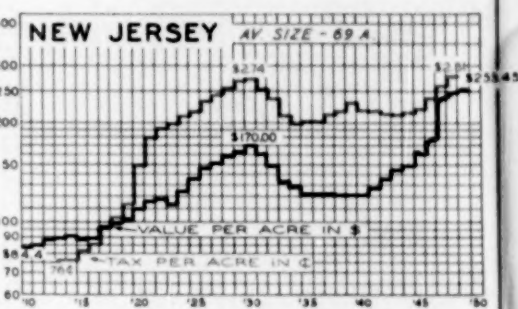
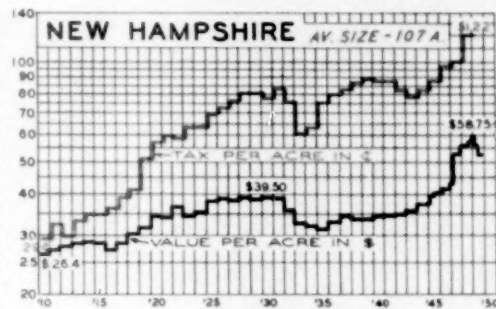
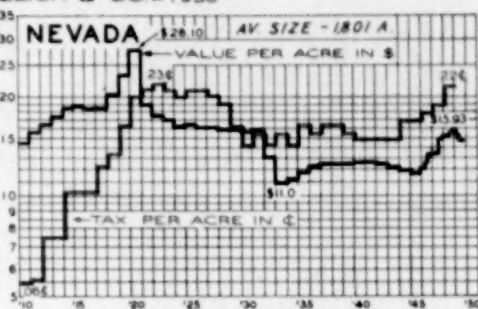
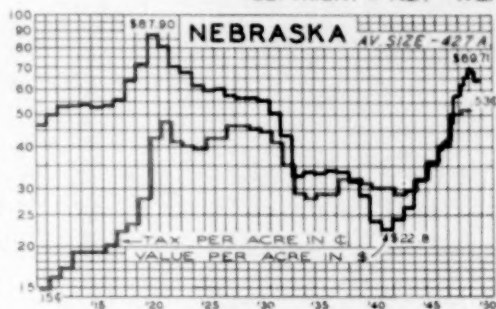
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FARM VALUES AND FARM TAXES

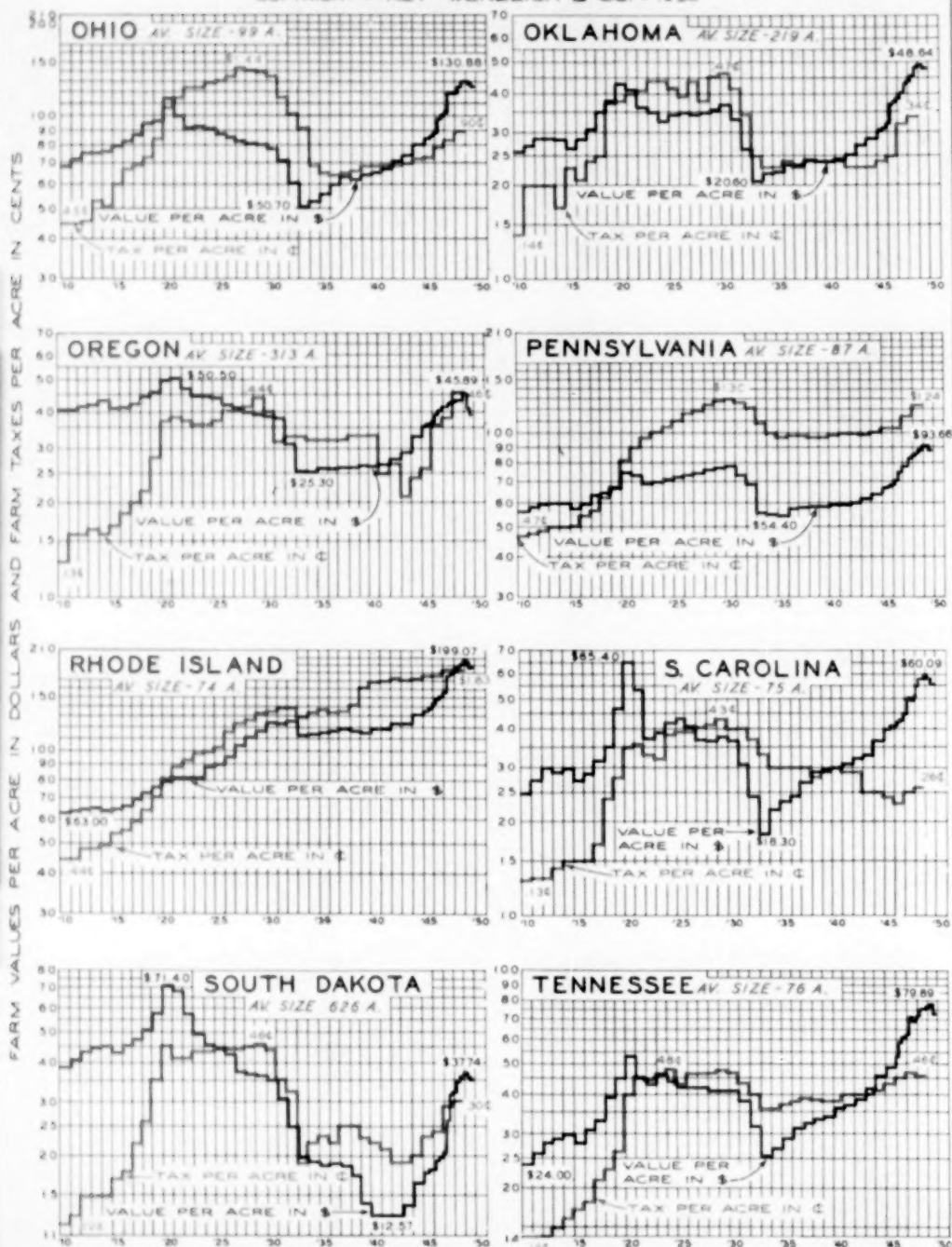
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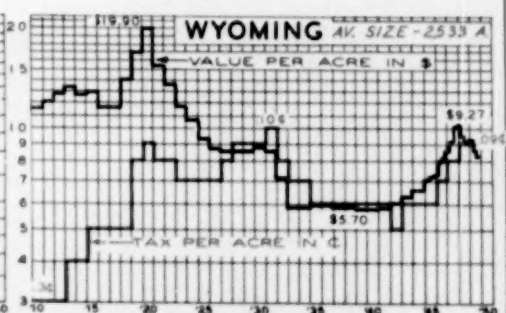
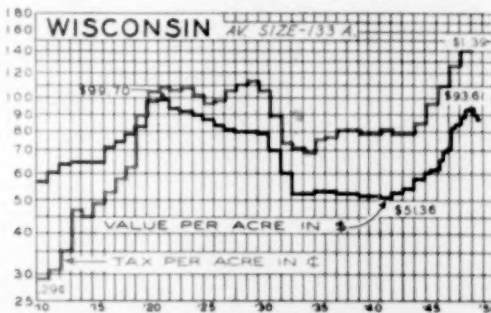
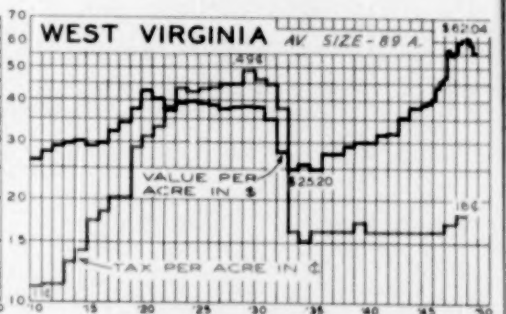
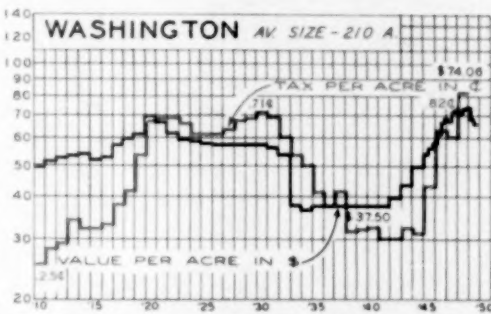
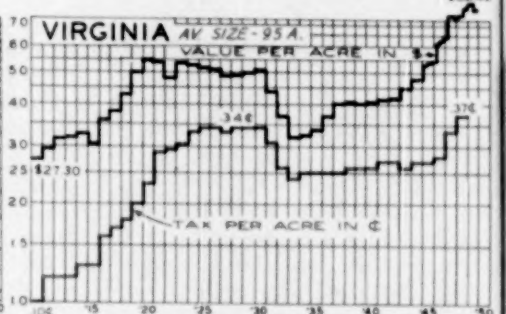
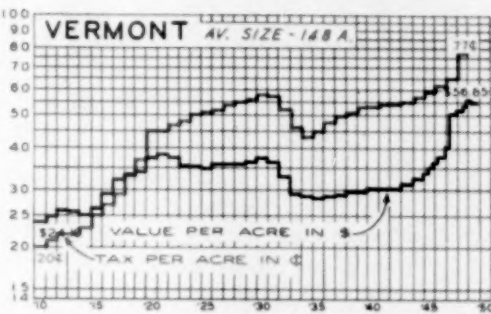
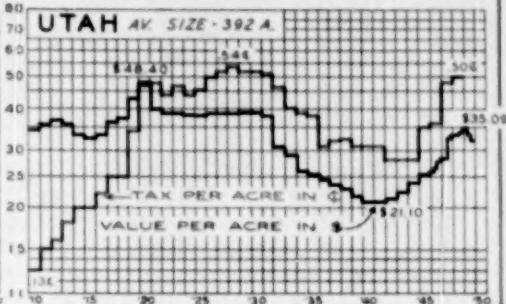
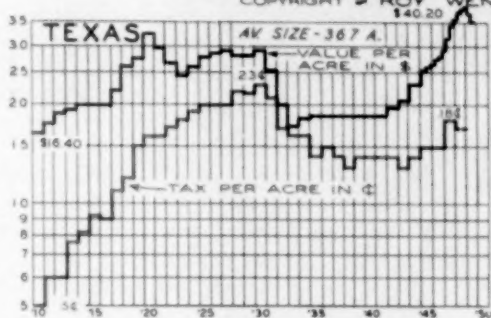
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FARM VALUES PER ACRE IN DOLLARS AND FARM TAXES PER ACRE IN CENTS



(cont. from page 25)

expected in farm land values. Very little recovery is needed, however, to put farm land values back to their postwar peak. They have just recently turned the corner and are now about 6% below their peak of November 1948. In November 1948 the average value per acre of American farm land was \$56.74. In November 1949 this value had sunk to \$53.40.

In our Agricultural Bulletin of January 28, 1949, we said, "Regardless of the prospect for several more good years in agriculture, we believe that unless we intended holding a farm more or less permanently, we would sell it this year. This is because we believe that there is a greater possibility of farm values declining than there is of their increasing during the next few years. There is a possibility of holding on and earning a little more, but we believe that now such action becomes more or less speculative. While farm values per acre are still 18% below their national peak reached in 1920, the average tax per acre is very close to its former top and will probably continue upward for two or three more years."

We feel even more strongly on these points than we did then because in all but three States farm values have definitely started down and we see very little prospect of a recovery in the near future. The three States where farm land values are still at their postwar peaks are Illinois, Minnesota, and New Jersey. All other States have seen their farm lands decrease in value - some of them substantially. California, Oregon and Montana lead all other States, each with a 13% drop in the average value per acre of their farm land. Washington, Wyoming and Texas are next with 11% drops. West Virginia suffered a drop of 10%, while Idaho farm land values dropped 9%. Iowa farm land reached its peak in July 1949, and by November had declined slightly, a little over 1%.

The average tax per acre of farm land in 1948 rose again for the fifth straight year. This is according to the latest available data which places the average tax at 57¢ per acre, an 8% increase over the 1947 figure. Only three States recorded a decrease in the average farm tax per acre in 1948. They were Rhode Island, Tennessee, and Texas. With no intention to sneer at any tax decrease, no matter how small, we feel that we should point out that the decreases amounted to only a cent or two per acre.